

Gary R. Herbert Governor

Greg Bell Lieutenant Governor

> Kevin S. Carter Director

State of Utah School & Institutional Trust Lands Administration

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July 29, 2010

Chris Thomsen, Project Engineer JUB Engineers 240 West Center Street Orem, UT 84057

RE: ML 51817; Huntington Cleveland Irrigation Company

Dear Mr. Thomsen:

This letter will acknowledge your submittal of a Notice of Intent, dated July 26, 2010, to commence clay mining operations upon lands under trust lands under Mineral Materials Permit No. ML 51817. This permit is in good standing with Cleveland Irrigation Company as the permittee.

Prior to commencing operations, Permittee must obtain a regulatory Small Mine permit from the Utah Division of Oil, Gas & Mining and post an adequate reclamation bond. The Small Mine permit must contain a detailed plan for the stockpiling of topsoil and reclamation of the proposed surface mining disturbances. Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake

Trust Land Specialist

CC: Wayne Western

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Div. of Oil, Gas & Mining